This portion MUST be returned with your payment to ensure proper credit. THANK YOU

| ACCOUNT BILLED MOAB SALT LLC | | | PROJECT NAME | | PROJECT ID |
|--|---------|-----------------------------------|--|--------------------------------|---------------------------|
| | | | CANE CREEK POTASH MINE | | M190005 |
| DUE DATE 07/28/2006 | \$1,000 | #1,000 \$1,000 AND MIRTH TEMPLE S | FEE NOT ENCLOSED Request inspection to close permit (site/bond release application attached). NING | Contact Address E-Mail Address | of Address |
| PO BOX 145801 SALT LAKE CITY UT 84114-58 | | | | Phone | se make check payable to: |

Please make check payable to:
Division of Oil, Gas and Mining

I.

1.

General Information

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

Report Time Period: From (mo./yr.) JAN 05 To (mo./yr.) DEC 2005

| | | 10 (mon y 1) 4 10 m (mon y 1) |
|--------|------------|--|
| | 2. | DOGM File Number (Mine No): M/019/085 |
| | 3. | Mine Name: CANE CREEK |
| | 4. | Mineral(s) Mined (or permitted to mine): POTASH & SALT |
| | 5. | Type of mine: Surface Mine or Underground Mine Solution MINE |
| | 6. | Legal Description (Location of Lands Affected): |
| | | 1/4,1/4,1/4, Section, Township <u>Z65</u> , Range <u>Z0E</u> , Z1 E |
| | | 1/4,1/4, Section, Township 275, Range 205, 215 |
| | | 1/4,1/4,1/4, Section, Township, Range |
| | 7. | Name of Operator or Company: INTREPID POTASH - MOAB, LLC |
| | 8. | Permanent Street Address: P.O. Box 1208 |
| | | City, State, Zip: MOAB, UTAH 84532 |
| | | Phone: 435-259-7171 Fax: 435-259-710 E-mail: nck, york @ intrepidpotas |
| | 9. | Company Representative (or designated operator): |
| | <i>,</i> . | Name: ERIC K. YORK |
| | | Title: MANAGER - UTAH DIVISION |
| | | Business Address: PO Box 1208 |
| | | City, State, Zip: MOAB, UTAH 84532 |
| | | Phone: 435-259-7171 Fax: 435-259-7100E-mail: rick york@intrepidpotash. |
| | | Please check if any of the above information has changed since previous year. |
| 11 | Minim | and Dead and office |
| II. | Mining | g and Reclamation |
| | 1. | Was there any mine related activity during the past year? Yes ⋈ No □ |
| | 2. | If no - what was the last year of activity? |
| | | I Noted new digturbance of Z |
| | 29 | Noted very districtionice of Z acres. Not sure addition PRECEIVED acres permitted FEB 0 3 2006 |
| ./ | 1 200 | 255 n 3 2006 |
| 1 mont | (4) | acremo usto permitto |
| ~ | 100 | DIV. OF OIL, GAS & MINING |
| 1 | 10 | DIV. Of Oilly and |
| | | |

| 3. | positioning, or distribution of the material. 500,309 tons of ore |
|--|---|
| 4. | Briefly describe the type of work performed, during the past year |
| | |
| 5. | How much new or additional acreage was disturbed during the past year? # Z ACRES |
| 6. | How much acreage was reclaimed during the past year? Z ACRES |
| 7. | Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). THATE AND SIX DIFFERENT TEST PLOTS WERE CONSTRUCTED IN THE TAILINGS AREA. SEEDING WAS COMPLETED IN MID-JANUARY 7006. A LANDEIUL WAS COMPLETED IN JANUARY 7005 IN AN ALREADY DISTURBED AREA. |
| 8. | What is the <u>total</u> disturbed acreage of entire project at years end? <u>/ 0 / 3</u> |
| 9. | Briefly summarize any mining and/or reclamation plans for the upcoming year. THE MINE WILL CONTINUE TO OPERATE. AN OIL/GAS WELL WAS STARTED IN 7005 WITH DRIVING TO 2900'. AS RIGS ARE AVAILABLE, THIS WELL SHOULD BE COMPLETED IN 2006 |
| 10. | The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request. |
| NOTE: Section | III., "Additional Information" applies only to large mining operations. |
| III. <u>Additional I</u> | Information - R647-4-121.2 |
| 1. | Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105. |
| IV. <u>Signature R</u> I hereb | <u>dequirement</u> by certify that the foregoing is true and correct. |
| | Name (Typed or Print): ERIC K. YORK |
| - | Name (Typed or Print): ERIC_ K. YORK Title of Operator: WANAGER - UTAH DIVISION Signature of Operator: K. York Date: / 30/06 |
| | Signature of Operator: |
| | |
| Jb o:\forms\reports\MR_AR | BECEIVED |

RECEIVED FEB 0 3 2006



Intrepid Potash – Moab, LLC P.O. Box 1208 Moab, UT 84532 435.259.7171 435.259.7100 fax

January 30, 2006

Ms. Susan M. White Mine Program Coordinator Division of Oil, Gas and Mining Department of Natural Resources Box 145801 Salt Lake City, Utah 84114-5801

Re: Annual Reports – Cane Creek Mine M/019/005 Intrepid Potash – Wendover M/045/002

Dear Mr. Haddock

Please find enclosed the 2005 annual reports for Intrepid Potash – Moab, LLC and Intrepid Potash – Wendover, LLC.

Sincerely,

Eric K. York

Manager - Utah Division

Rich York

RECEIVED

FEB 0 3 2006